

**ASSEMBLY BILL**

**No. 2334**

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**Introduced by Assembly Member Salas**

February 19, 2010

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An act to add Section 657.5 to the Business and Professions Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 2334, as introduced, Salas. Health care: billing: interest and fees.

Existing law provides for the licensure and regulation of various health care practitioners by various boards under the Department of Consumer Affairs, and the licensure and regulation of health facilities by the State Department of Public Health. Existing law provides that a creditor who is entitled to recover damages, as specified, is also entitled to recover interest on the damages prior to entry of a judgment for damages, as specified. Existing law also provides that interest accrues at the rate of 10% per annum on the principal amount of a money judgment remaining unsatisfied.

This bill would prohibit a medical care provider, as defined, or health facility, as defined, from charging, assessing, or collecting, directly or through a collection agency or other intermediary, or pursuant to any judgment, any interest on, or late fees or charges with respect to or arising out of, any unpaid balance on a bill for medical services rendered. The bill would also require those providers and facilities to include in a bill for medical services a notice to this effect, in at least 12-point type, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 657.5 is added to the Business and Professions Code, to read:

657.5. (a) Notwithstanding Section 3287 of the Civil Code and Section 685.010 of the Code of Civil Procedure, it is unlawful for any medical care provider, or any health facility to charge, assess, or collect, directly or through a collection agency or other intermediary, or pursuant to any judgment, any interest on, or late fees or charges with respect to or arising out of, any unpaid balance on a bill for any medical services provided.

(b) (1) For purposes of this section, “medical care provider” means a person licensed under Chapter 5 (commencing with Section 2000), Chapter 5.7 (commencing with Section 2600), Chapter 6 (commencing with Section 2700), Chapter 6.5 (commencing with Section 2840), Chapter 6.6 (commencing with Section 2900), Chapter 7.7 (commencing with Section 3500), Chapter 8 (commencing with Section 3600), or Chapter 8.2 (commencing with Section 3610), any medical group, and any independent practice association.

(2) For purposes of this section, “health facility” means a health facility as defined in Section 1250 of the Health and Safety Code, and also includes all wholly owned subsidiaries of the facility, a parent company that wholly owns the facility, and any subsidiaries wholly owned by the same parent that wholly owns the facility.

(c) A billing statement for medical care services rendered by a medical care provider or health facility shall include the following notice in a legible font in at least 12-point type:

“You are responsible to pay this bill. However, California law prohibits us from charging, assessing, or collecting, directly or through a collection agency or other intermediary, or pursuant to any judgment, any interest on, or late fees or charges with respect to or arising out of, any unpaid balance on this bill.”